



USDA Foreign Agricultural Service

GAIN Report

Global Agriculture Information Network

Voluntary Report - public distribution

Date: 8/21/2006

GAIN Report Number: EG6021

Egypt

Grain and Feed

Wheat Update

2006

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Report Highlights:

Egypt's total wheat purchases for MY 2005/2006 (July-June) increased by 5 percent compared to MY 2004/2005. U.S. market share has slightly risen.

Includes PSD Changes: No
Includes Trade Matrix: No
Unscheduled Report
Cairo [EG1]
[EG]

Egypt's wheat purchases for MY 2005/2006 (July-June) increased by approximately 5 percent compared with MY 2004/2005. Total wheat contracts in MY 2005/2006 by both government and private sector companies are estimated at 7,235,501 MT. Imports by both the Ministry of Supply (GASC) and the private sector increased by 3 and 2 percent, respectively. According to trade sources, the private sector imported 81,350 MT of wheat from Russia at a reported price of \$160 per MT C&F; 71,362 MT from Ukraine at \$146 per MT C&F; and, 86,300 MT from Syria at a reported price of \$163 C&F.

The following table shows wheat purchases for MY 2005/2006 by the two buying entities:

Importer	From All Sources	From U. S.
General Authority for Supply Commodities (GASC)	4,480,000 MT	1,247,600 MT
Private Sector	2,755,501 MT	17,600 MT
Total:	7,235,501 MT	1,265,200 MT

In MY 2005/2006 U. S. market share is estimated at 27 percent, compared to 24 percent in MY 2004/2005. Though the market has slightly risen, it is still below the 55-65 percent threshold experienced prior to 2004/2005. The loss of market share is driven by a loss of price competitiveness; price is the single most important determinant when Egyptian buyers enter the market.

The market share for Australia and France in MY 2005/2006 is estimated at 15.8 and 17.8 percent, respectively, compared to 7.4 percent and 16.3 percent, respectively, in MY 2004/2005. Russian wheat imports in MY 2005/2006 have increased substantially to 37.5 percent, compared to 26.6 percent in MY 2004/2005. This substantial increase was mainly due to the lower price of Russian wheat. During MY 2005/2006, small quantities of wheat were also imported from other non-traditional wheat suppliers such as Syria, Ukraine, and Germany. The three countries supplied 276,595 MT, 241,634 MT, and 57,572 MT, respectively.